

Public Comment: The part of the marijuana plant referred to as "sugar leaf" should be considered trim and taxed at \$15 an ounce and not \$50 an ounce.

Agency Response: Since the "sugar leaf" does contain higher levels of tetrahydrocannabinol or THC than trim (stalk, vegetative leaves, etc.), the Tax Division has determined that it should be taxed at a higher rate than trim which contains negligible amounts of THC. The Tax Division has chosen to apply two tax rates and since sugar leaf contains higher levels of THC, even though it might not be as high as the flower, the decision was made to tax it at \$50 an ounce.

Public Comment: Marijuana transferred or sold should be calculated to the nearest hundredths of an ounce, not thousandths of an ounce.

Agency Response: Marijuana is commonly sold by the one-eighth ounce or .125 ounces. The Tax Division's tax integrated management system and tax forms have been developed using three decimal places (thousandths). The Tax Division looked at the other states that have legalized marijuana before making a decision on how many decimal places to use when calculating the taxable weight. The state that has legalized marijuana and taxes at the grower level calculates to the nearest thousandths